

Mr. Dulles:

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This report concerns the situation in Cuba and its role in other potential Caribbean and Central American tinderboxes. The report mainly concerns four problems; namely, sugar, political tension, neutralism and Cuba's strategic plans.

In regard to sugar, Premier Castro has made several startling statements concerning U.S. imports of Cuban sugar which have caused grave concern among U.S. sugar experts. Castro's remarks include, "Where there is war on, the U.S. courts Cuba; after which, they snatch away our sugar quota."

The report points out that Castro has been attacking the U.S. with mounting vehemence and that for the first time in many years there have been several recent spitting incidents involving U.S. citizens.

On the subject of neutralism, the report states that there is a new policy in Cuba, i.e., Cuba is to be free of entanglements with the U.S. and to be strictly neutral in the cold war. The radical anti-U.S. wing of the 26 July movement will continue to undercut the U.S. position in the Caribbean and in Central America.

In regard to Cuba's strategic plans, Castro has extended substantial political backing, financial aid, arms supplies, training facilities, personnel and volunteers to several exiled groups prepared to launch guerrilla warfare in their homelands. This includes the Dominican Republic, Haiti and Nicaragua.

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